RNS Number : 1630G
SEEEN PLC
30 September 2024

SEEEN plc
("SEEEN", "Group", or the "Company")

Interim Results for the six months ended 30 June 2024 - 60% Increase In Gross Profits versus 2H23
Management and Adviser Change

SEEEN plc (AIM: SEEN), the global media and technology platform that delivers Key Video Moments and Video Commerce to transform its clients' video profitability, is pleased to release its unaudited Interim Results for the six months ended 30 June 2024 ("1H24") and an update on current trading and the outlook for the Group.

During the first half of 2024, the Group continued its transition towards a higher-margin, technology driven business with larger technology sales, reflected by the increased gross margin of the business. The Group has momentum with sequential growth in the half year, which also has carried into 3Q.

Revenue for the 1H24 increased 19% against 2H23, together with a 60% improvement in gross profit. During the period, the Group also concluded a successful fundraising of approximately £0.8 million primarily to drive further investment in the direct sales team for its current offerings and for an exciting extension of the Group's Video Moment technology into the high demand training / skills market. As part of this extension, the Group has produced strong results in a pilot for speeding the training of skilled technicians for American Leak Detection. Examples of such accelerated training will be released after the American Leak Detection Convention October 16-19.

Momentum has continued from 1H to the third quarter ("3Q24"). The Group's sales momentum has accelerated as revenues are currently at an annualised run-rate* of approximately $4.5 million driven by both technology product sales and a return to growth in our Creator Service Partner ("CSP") business. The annualised run-rate is more than 100% greater than the Group's revenues last year. Building on this momentum, the Group's next milestone is monthly cash flow breakeven during the next six months.

Adrian Hargrave, CEO of SEEEN, commented:

"We have strong sequential momentum: 1H 2024 vs. 2H 2023 and 3Q 2024 vs. 2Q 2024. Underpinning this momentum was a successful capital raise despite market headwinds.

During 2024, we have accelerated the sales and gross profits of the Group. We are focused on driving sales as we leverage the strong data that we have from existing customer implementations. We have aligned the cost base accordingly to ensure that we deliver on both the market opportunity as a technology product company and a services-led marketing consulting business using Video Moments.

We want to thank all of our shareholders for their support and we look forward to the rest of the year with confidence. We will continue to execute our strong and growing pipeline of opportunities both in the US and the UK. With more case studies and ROI data to show for both our technology and CSP offerings, we expect to continue to accelerate our market capture through both direct and partnership sales, driving the Group through to cash flow breakeven."

Overview

- Continued progress against the Group's core technology sales Key Performance Indicators (KPIs). As at 30 June 2024, the Group had the following technology customer breakdown:
  - 31 vertical market customers in the financial publishing, sports and retail & services markets
  - 6 strategic customers in the publishing industry
  - 11 e-commerce led customers
- CSP returning to growth, whilst maintaining increased profitability
- Accelerating sales momentum since the start of 2Q24 has delivered current annualised revenue run-rate* of approximately $4.5 million, including more than $2 million from new customers across the Group's technology and CSP businesses
- Completed fundraising of approximately £0.8 million (before expenses) across June and July 2024, principally to fund continued sales momentum and further develop IP in the training market

1H24 Financial Highlights

Profitability

Gross profit of $0.3 million, 18% higher than 1H23 driven by improved gross margin of 29.8% (1H23: 24.6%), reflecting an increasing technology led sales mix, as well as ongoing improved margins at the Group's CSP business

Adjusted Group EBITDA** loss of $0.3m (1H23: loss of $0.3m), reflecting continued investment in sales team, offset by increased profitability from technology business

Revenues

Improving sales mix reflecting proprietary technology commercialisation

Revenues from customers using *CreatorSuite*, the Group's primary technology product, of approximately $550K, now representing 50% of the Group's revenue (1H23: 40%)

- Recurring technology revenues of approximately $125,000 (1H23: $85,000)

Total Group revenues of $1.1m in line with previous year (1H23: $1.1m), but a 19% increase on 2H23 revenues, reflecting new customer additions across all business lines, as well as cross-selling of SEEEN's offerings

Balance Sheet

Cash as at 30 June 2024 of $1.2m; the Board believes that the Group has sufficient resources to reach profitability by executing on its sales strategy to drive both technology and CSP sales

Year To Date New Customer Wins and Implementation Success

Total new business won since start of 2Q24 currently worth more than $2 million in annualised revenues*

Continued progress with selling the Group's technology products across different verticals with announced transactions for London Broncos and A7FL to supply video-led website and commerce

Further traction in the sports vertical for technology products, including first customer in the Scottish Premier League, the first UK paralympic sport and being named as official interactive video partner for

sporting conferences

- o Average 9% clickthrough rates, linked to sales, within customer videos is driving 100%+ ROI for key customers

Sales of technology to American Leak Detection for video commerce, training and digital marketing

- o Since implementation, SEEEN has helped ALD territories drive a 15% improvement in Google Business Profile rankings, with 10% increases in number of leads through that channel

New publisher sign ups in UK and US, for both technology and CSP offering

Upsells of technology services to CSP customers, which has driven up to 25% increases in the revenues of key customers

2024 and 2025 Outlook

Strong customer and reseller sales pipeline, driven by new technology products and sales team

- o Significant large opportunities with sports clubs, sports leagues and major publishers
- o Reseller opportunities with digital marketing agencies for both video commerce
- o Sales to companies of Video Moment technology to accelerate skills training and compliance

Management change

The Company announces that Carmel Warren has now left SEEEN to focus on her new non-executive appointments. Adrian Hargrave has assumed day to day responsibility for the Company's finance function and is supported by the existing accounting team. Whilst the Company remains focused on sales momentum and achieving profitability, it expects to appoint an outsourced CFO that will best support the growth strategy of the business ahead of a permanent CFO when the Group has scaled to profitability.

Change of Adviser

As part of the Group's plan to reduce duplicative costs, the Company announces that Allenby Capital Limited has ceased to act as Joint Broker to the Company with effect from 27 September 2024. Allenby Capital Limited remains the Company's AIM Nominated Adviser. Dowgate Capital Limited and Capital Plus Partners Limited remain as SEEEN's Joint Brokers.

Notes:

* Annualised revenues assumes a run rate of revenues combining (i) technology based SaaS sales and (ii) current levels of YouTube advertising income from channel partners, which can be more volatile

** See Note 5 to the accounts for a full reconciliation of adjustments between reported and adjusted figures.

For further information please contact:

SEEEN plc
Adrian Hargrave, CEO — Tel: +44 (0)7775 701 838
Website:seeen.com

Allenby Capital Limited (Nominated Adviser)
Alex Brearley / George Payne (Corporate Finance) — Tel: +44 (0)20 3328 5656

Dowgate Capital Limited (Joint Broker)
Stephen Norcross — Tel: +44(0)20 3903 7721

Capital Plus Partners Limited (Joint Broker) — Tel: +44(0)20 3821 6167

Jonathan Critchley

focusIR (Investor Relations) Tel: +44(0) 07866 384 707
Paul Cornelius / Kat Perez seeen@focusir.com

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

CEO's Statement

Overview

During 1H 2024 and since then, we have continued to execute against our core focus of selling our technology products and associated services to customers in our core target markets. This has been reflected in 1H24 in a 19% increase in sales and 60% increase in gross profit against 2H23. In addition to continuing to win new customers, we have also made larger technology sales, where we have worked with entire sports leagues, as well as managed the entire website for individual sports clubs to drive a video-led strategy, importantly including video commerce. Significant examples in 1H24 include Rugby League Super League side London Broncos, as well as A7FL, a second-tier nationwide American Football league in the USA.

We have also moved successfully into the video training market, where we established our first sale with American Leak Detection. We have both prepared Key Video Moments for technicians to be delivered via Salesforce, as well as training and implementing Google Business Profiles for more than 40 territories, a key driver of leads for services businesses all across the world.

Furthermore, we have increasingly demonstrated the value of our technology within our existing CSP customer base, with upsells to several of our CSP customers to use our technology to leverage their back catalogue and increase the efficiency of clipping and re-mixing their video content across all social video platforms. In some cases, we have also sold our video commerce functionality to enable them to drive extra revenues from their website.

We continue to have several valuable case studies from our successful implementations. In video commerce, we continue to see increases in organic search traffic to our customer's video pages of between 50% and 500%, as well as an average of 9% clickthrough rates within sports videos, driving substantial ROI through increased sales and subscriptions, without accounting for the additional data that our customers are receiving about the efficacy of their videos in converting viewers into customers.

For training and Google Business Profile implementation, including placing short form videos onto Google Business Profile pages, we have seen an average increase in local search rankings of approximately 15%, which has generated an increase in leads directly from Google Business Profiles during that timeframe.

Where we have upsold our technology into CSP clients, we have seen some of our customers drive 25% more revenue utilising their existing catalogue of videos, through clipping of content and re-mixing videos with related Key Video Moments to drive more interest for both viewers and the social media algorithms for their videos.

Crucially, we have now established repeatable sales patterns within industries using case study data from our existing implementations, which is driving further adoption by customers. This has also accelerated sales opportunities for converting larger customers and larger deals, which we expect will drive further acceleration in sales during 4Q24 and FY25. We are also seeing increased levels of interest from digital marketing agencies to act

as strategic partners, as we offer a proprietary technology solution for their clients that we consider neither they nor their competitors can offer.

Our fundraising in June 2024, has helped us to continue to invest in the team and certain functionality to integrate our solutions into training and CRM systems. We are grateful to all the shareholders who have supported us at each stage of the Group's journey.

Outlook

The first three quarters of 2024 have demonstrated that our solutions meet a growing market need, by delivering both increased yield from videos and the ability to generate "new" content from existing video libraries. Our next milestone is to achieve monthly cash flow breakeven, as well as creating significant shareholder value by continuing to execute our plan and capitalising on the market opportunity available for us.

Adrian Hargrave, CEO
September 30, 2024

Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2024

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	$	$	$
	Unaudited	**Unaudited**	**Audited**
Revenue	1,099,375	1,129,508	2,051,384
Cost of sales	(771,430)	(851,376)	(1,571,054)
Gross profit	**327,945**	**278,132**	**480,330**
Administrative expenses			
- Share-based payments	(55,571)	(55,007)	(109,924)
- Amortisation of intangibles	(554,336)	(1,073,459)	(2,416,146)
- Impairment of goodwill	-	-	(2,090,132)
- Other administrative costs	(714,113)	(684,087)	(1,139,895)
Total administrative expenses	(1,324,020)	(1,812,553)	(5,756,097)
Operating loss	**(996,075)**	**(1,534,421)**	**(5,275,767)**
Other income	-	-	-
Finance (expense) / income	-	-	5,728
Loss before tax	**(996,075)**	**(1,534,421)**	**(5,270,039)**

Taxation	-	99,382	129,584
Loss for the period	**(996,075)**	**(1,435,039)**	**(5,140,455)**
Other comprehensive income			
Exchange differences arising on translation of foreign operations	(123,262)	(86,966)	(15,544)
Total comprehensive loss for the period	**(1,119,337)**	**(1,522,005)**	**(5,124,911)**
Earnings per share	**Cents**	**Cents**	**Cents**
Basic	(1.03)	(1.50)	(5.51)
Diluted	(1.03)	(1.50)	(5.51)

Consolidated Statement of Financial Position as at 30 June 2024

	At 30 June 2024	At 30 June 2023	At 31 December 2023
	$	$	$
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets			
Goodwill	-	2,090,132	-
Other intangible assets	2,261,821	3,525,917	2,357,931
Other receivables	1,800	1,800	1,800
	2,263,621	**5,617,849**	2,359,731
Current assets			
Trade and other receivables	743,166	1,029,951	947,132
Cash and cash equivalents	1,152,380	2,070,824	1,060,864
	1,895,546	**3,100,775**	2,007,996
TOTAL ASSETS	**4,159,167**	**8,718,624**	**4,367,727**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Share capital	7,491,432	7,454,052	7,454,052
Share premium	10,865,584	10,180,736	10,180,736
Merger reserve	8,989,501	8,989,501	8,989,501
Share based payment reserve	1,400,224	1,288,600	1,343,517
Foreign exchange reserve	(104,027)	(83,275)	19,235
Retained profit	(25,733,075)	(21,031,583)	(24,737,000)
Total Shareholders' Equity	**2,909,639**	**6,796,031**	**3,250,041**
Non-current liabilities			
Deferred tax liability	17,408	47,611	17,408
	17,408	**47,611**	**17,408**
Current liabilities			
Trade and other payables	1,232,120	1,874,982	1,100,278

	1,232,120	**1,872,982**	**1,100,278**
TOTAL EQUITY AND LIABILITIES	**4,159,167**	**8,718,624**	**4,367,727**

Interim Consolidated Statement of Changes in Equity
For the six months ended 30 June 2024

	Share Capital	Share Premium	Merger Reserve	Share based payment Reserve	Foreign Exchange Reserve	Retained Profit	Total
	$	$	$	$	$	$	$
As at 31 December 2022	**7,454,052**	**10,180,736**	**8,989,501**	**1,233,593**	**3,691**	**(19,596,545)**	**8,265,028**
Share-based payment expense	-	-	-	109,924	-	-	109,924
Loss for the period	-	-	-	-	-	(5,140,455)	(5,140,455)
Issuance of shares	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	15,544	-	(3,445)
As at 31 December 2023	**7,454,052**	**10,180,736**	**8,989,501**	**1,343,517**	**19,235**	**(24,737,000)**	**3,250,041**
Share-based payment expense	-	-	-	56,707	-	-	56,707
Loss for the period	-	-	-	-	-	(996,075)	(996,075)
Issuance of shares	37,380	684,848	-	-	-	-	722,228
Other comprehensive income	-	-	-	-	(124,062)	-	(124,062)
As at 30 June 2024	**7,491,432**	**10,865,584**	**8,989,501**	**1,400,224**	**(104,027)**	**(25,733,075)**	**2,909,639**

Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2024

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	$	$	$
	Unaudited	**Unaudited**	**Audited**
Cash flows from operating activities			
Loss before tax	(996,075)	(1,534,421)	(5,270,039))
Adjustments for non-cash/non-operating items:			
Amortisation of intangible assets	554,336	1,073,459	2,416,146
Impairment of goodwill	-	-	2,090,132
Share based payments	55,571	55,007	109,924

Interest paid / (received)		-	(5,728)
Operating cash flows before movements in working capital	**(386,168)**	**(405,955)**	**(659,565)**
(Increase) / decrease in trade and other receivables	203,966	(216,823)	(134,005)
(Decrease) / increase in trade and other payables	131,842	126,518	(646,191)
Cash generated by operations	**335,808**	**(496,260)**	**(1,439,761)**
Income taxes paid	-	-	-
Net cash used in operating activities	**(50,360)**	**(496,260)**	**(1,439,761)**
Cash flows from investing activities			
Purchase of intangibles	(458,226)	(675,060)	(849,760)
Net cash used in investing activities	**(458,226)**	**(675,060)**	**(849,760)**
Cash flows from financing activities			
Proceeds from issue of shares	661,630	2,092,449	2,092,449
Interest received / (paid)	-	-	-
Net cash generated by/(used in) financing activities	**661,630**	**2,092,449**	**(197,072)**
Net (decrease)/increase in cash and cash equivalents	153,044	921,129	(197,072)
Effect of exchange rates on cash	(61,528)	(86,968)	21,272
Cash and cash equivalents at the beginning of period	1,060,864	1,236,664	1,236,664
Cash and cash equivalents at end of period	1,152,380	2,070,824	1,060,864

Notes to the Interim Consolidated Financial Information
for the six months ended 30 June 2024

1 General information

The Group is a global media and technology platform that delivers Key Video Moments and Video Commerce to transform its clients' video profitability.

The Company is a public limited company domiciled in the United Kingdom and incorporated under registered number 10621059 in England and Wales. The Company's registered office is 27-28 Eastcastle Street, London W1W 8DH.

2 Significant accounting policies

Basis of preparation and changes to the Group's accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial information are consistent with those of the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2023. No new IFRS standards, amendments or interpretations became effective in the six months to 30 June 2024.

Statement of compliance

This interim consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with UK adopted International Accounting Standards ("Adopted IFRSs"). This interim consolidated financial information is not the Group's statutory financial statements and should be read in conjunction with the annual financial statements for the period ended 31 December 2023, which have been prepared in accordance

with Adopted IFRS and have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified, although did include references to the auditors drawing attention to a material uncertainty related to going concern without qualifying their report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim consolidated financial information for the six months ended 30 June 2024 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period. Comparative numbers for the six months ended 30 June 2023 are unaudited.

This interim consolidated financial information is presented in US Dollars ($), rounded to the nearest dollar.

Foreign currencies

Functional and presentational currency

Items included in this interim consolidated financial information are measured using the currency of the primary economic environment in which each entity operates which is considered by the Directors to be Pounds Sterling (£) for the Parent Company and US Dollars ($) for all the Company's subsidiaries. This interim consolidated financial information has been presented in US Dollars which represents the dominant economic environment in which represents the dominant economic environment in which the Group operates. The effective exchange rate at 30 June 2024 was £1 = US$1.2664 (30 June 2023: £1 = US$1.2714 and 31 December 2023: £1 = US$1.2747).

Critical accounting estimates and judgments

The preparation of interim consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing this interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023, together with the recognition of development expenditure, described below.

Development expenditure

The Group recognises costs incurred on development projects as an intangible asset which satisfies the requirements of IAS 38. The calculation of the costs incurred includes the percentage of time spent by certain employees and contractors on relevant development projects. The decision whether to capitalise and how to determine the period of economic benefit of development projects requires an assessment of the commercial viability of the projects and the prospect of selling the project to new or existing customers. During the six months ended 30 June 2024, the Group capitalized $0.5 million of development expenditure.

Going Concern

The directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, and for this reason they have adopted the going concern basis of preparation in the consolidated interim financial statements.

3 Trade Payable and Receivables

The majority of trade payables and receivables relate to receivables from YouTube and payables to creator partners. In addition, trade and other payables includes accruals for expenses to be accrued during the year, payments to consultants who are paid monthly in arrears and historic liabilities of the acquired businesses that relate to payables more than two years ago and the Group does not expect to need to pay.

4 Loss per share

The loss per share has been calculated using the loss for the period and the weighted average number of ordinary shares outstanding during the period, as follows:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	Unaudited	Unaudited	Audited
Earnings attributable to shareholders of the Company ($)	(996,075)	(1,435,039)	(5,140,455)
Weighted average number of ordinary shares	95,451,309	93,345,815	93,345,815
Diluted weighted average number of ordinary shares	95,451,309	93,345,815	93,345,815
Loss per share (cents)	(1.0)	(1.5)	(5.5)
Diluted loss per share (cents)	(1.0)	(1.5)	(5.5)

5 Summary of Adjustments between Reported and Adjusted EBITDA and Operating Profit

$ in 000s	1H24 Reported	Adjustment	1H24 Adjusted
Revenues	**1,099**	**-**	**1,099**
Cost of Sales	(771)	-	(771)
Gross Profit	**328**	**-**	**328**
Operating expenses	(1,324)	-	(1,324)
Share based payments	-	56	56
Other adjustments	-	50	50
Operating Profit	**(996)**	**116**	**(880)**
Amortisation - Development cost	554	-	554
EBITDA	**(442)**	**-**	**(326)**

6 Publication of announcement and the Interim Results

A copy of this announcement will be available at the Company's registered office (27-28 Eastcastle Street, London, W1W 8DH) from the date of this announcement and on its website -seeen.com. This announcement is not being sent to shareholders.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

IR QKCBBBBKBKCB